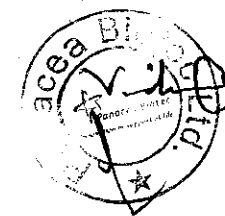


Unaudited Financial Results for the Quarter & Nine Months ended 31st December, 2011

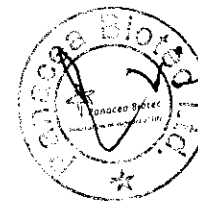
Particulars	(Rs. in Lacs)					
	For Quarter ended			For 9 Months ended		For Year Ended
	31.12.11	30.9.2011	31.12.10	31.12.11	31.12.10	31.03.11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. (a) Net Turnover / Income from Operations	15,298	22,442	28,406	59,840	79,053	113,046
(b) Other Operating Income	218	435	875	1,123	1,693	2,193
Total Income	15,516	22,877	29,281	60,963	80,746	115,239
2. Expenditure						
a. (Increase)/decrease in stock in trade and work in progress	5,240	820	(559)	(489)	186	5,887
b. Consumption of materials	2,779	11,682	12,112	29,048	33,469	44,576
c. Purchase of traded goods	488	845	813	1,940	2,027	2,444
d. Manufacturing & Administrative Exp.	2,907	2,958	2,372	8,514	7,625	10,793
e. Research & Development Exp.	1,971	1,699	1,923	4,997	4,385	5,946
f. Employees cost	3,188	3,393	2,920	9,631	8,859	12,939
g. Depreciation	1,940	2,001	1,827	5,572	5,409	7,311
h. Other expenditure	1,827	1,277	1,471	4,700	4,183	5,935
i. Total	20,340	24,675	22,878	63,913	66,143	95,831
3. Profit from Operations before other income, Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional items (1-2i)	(4,824)	(1,798)	6,403	(2,950)	14,603	19,408
4. Other Income	201	99	315	467	855	1,312
5. Profit before Interest, Foreign Exchange Fluctuation Gain / (Loss) & Exceptional Items (3+4)	(4,623)	(1,699)	6,718	(2,483)	15,458	20,720
6. Interest	1,635	1,469	1,257	4,735	3,253	4,780
7. Exchange Fluctuation Loss/ (Gain)	1,079	865	(144)	2,080	206	391
8. Profit after Interest but before Exceptional Items (5-6-7)	(7,337)	(4,033)	5,605	(9,298)	11,999	15,549
9. Exceptional items	-	-	-	-	-	-
10. Profit / (Loss) from Ordinary Activities before tax (8-9)	(7,337)	(4,033)	5,605	(9,298)	11,999	15,549
11. Tax expenses	(165)	(669)	1,345	(434)	2,797	2,044
12. Net Profit / (Loss) from Ordinary Activities after tax (10-11)	(7,172)	(3,364)	4,260	(8,864)	9,202	13,505
13. Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14. Net Profit / (Loss) for the period (12-13)	(7,172)	(3,364)	4,260	(8,864)	9,202	13,505
15. Paid up equity share capital (face value of Re.1 per share)	613	613	613	613	613	613
16. Reserves excluding Revaluation Reserves	-	-	-	-	-	63,068
17. Earning Per Share (EPS) - Basic	(11.71)	(5.49)	6.83	(14.47)	14.40	21.35
- Diluted	(11.71)	(5.49)	6.36	(14.47)	13.45	21.35
18. Public shareholding						
- No. of shares	15,406,396	15,389,192	15,389,192	15,406,396	15,389,192	15,364,465
- Percentage of shareholding	25.15	25.12	25.12	25.15	25.12	25.08
19. Promoters and promoter group Shareholding						
a) Pledge / Encumbered						
- Number of Shares	20,096	38,000	38,000	20,096	38,000	38,000
- % of Shares (as a % of the total shareholding of promoter & promoter group)	0.04	0.08	0.08	0.04	0.08	0.08
- % of Shares (as a % of the total Share Capital of the Company)	0.03	0.06	0.06	0.03	0.06	0.06
b) Non-encumbered						
- Number of Shares	45,824,254	45,823,554	45,823,554	45,824,254	45,823,554	45,848,281
- % of Shares (as a % of the total shareholding of promoter & promoter group)	99.96	99.92	99.92	99.96	99.92	99.92
- % of Shares (as a % of the total Share Capital of the Company)	74.82	74.81	74.82	74.82	74.82	74.86



10/1/2012

Unaudited Segment-wise Revenue , Results, and Capital Employed

Particulars	For Quarter ended			For Nine Months ended		For Year Ended
	31.12.11	30.9.2011	31.12.10	31.12.11	31.12.10	31.03.11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
(a) Vaccines	6,873	13,089	21,394	33,605	56,051	83,787
(b) Formulations	8,470	9,526	7,251	26,614	23,569	30,073
(c) Research & Development	-	-	-	-	-	-
(d) Unallocated	173	262	636	744	1,126	1,379
Gross Sale/Income from Operation	15,516	22,877	29,281	60,963	80,746	115,239
Less : Inter Segment Revenue	-	-	-	-	-	-
Net Sales/Income from Operations	15,516	22,877	29,281	60,963	80,746	115,239
2. Segment Results Profit (+) before tax and interest from each segment						
(a) Vaccines	(1,620)	(299)	9,188	3,005	19,440	29,512
(b) Formulations	1,571	2,692	1,098	6,654	5,587	5,711
(c) Research & Development	(2,405)	(2,128)	(2,057)	(6,243)	(5,560)	(7,531)
(d) Unallocated	-	-	-	-	-	-
Total	(2,454)	265	8,229	3,416	19,467	27,692
Less : i) Interest	1,635	1,469	1,257	4,735	3,253	4,780
ii) Other Un-allocated Expenditure net off Un-allocated income.	3,248	2,829	1,367	7,979	4,215	7,363
Total Profit Before Tax	(7,337)	(4,033)	5,605	(9,298)	11,999	15,549
3. Capital Employed						
(Segment assets-Segment Liabilities)						
(a) Vaccines	63,318	63,882	69,808	63,318	69,808	79,443
(b) Formulations	23,379	22,326	21,365	23,379	21,365	17,641
(c) Research & Development	20,318	21,144	21,857	20,318	21,857	21,248
(d) Unallocated	(52,199)	(45,366)	(45,153)	(52,199)	(45,153)	(54,654)
Total Capital Employed	54,816	61,986	67,877	54,816	67,877	63,678
Regd. Office : Ambala-Chandigarh Highway, Lalru- 140501, Punjab						



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10/2/2012

Notes:

- 1 The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on 9th February, 2012 and 10th February, 2012 respectively.
- 2 Tax expense includes income tax and deferred tax.
- 3 The Company's Indirect Overseas Subsidiary, Panacea Biotech (Europe) AG has been dissolved and an amount of USD 26,840 (around Rs.14 Lac) was transferred to the credit of its holding company, Panacea Biotech (International) S.A. Balance amount of USD 80,160 (around Rs.43 Lac) was written off as loss on investments in its Books of Accounts.
- 4 During the quarter, an amount of US\$ 1,325,000 (around Rs.685.27 Lac) was remitted to the Company's WOS, Rees Investments Limited, Guernsey in terms of existing Loan Agreement. During the quarter, the Company also paid Rs 7,000.0 Lac as share application money towards subscription for Redeemable Preference Shares in another WOS, Best On Health Ltd. as per the existing terms thereof. However the same amount was received back during current quarter.
- 5 During the quarter, the Company has launched new products namely HIFIBRE 200 (Bulk Lexative), VALUECEF -O (Antibiotic), TOFF-LIX (Cough Syrup), WHOLESUM (Nutritional Supplement), UCIRO 150 & 300 (Chronic Liver Disease) and IMUZA (Immunosuppressant).
- 6 During the quarter, the Company's advanced drug delivery based innovative product, PacilIAL (which leverages the nano-particle advantage for treatment of cancer) was awarded the "BioSpectrum Product of the Year 2011" Award.
- 7 Pursuant to the amendment to Accounting standard (AS)11, "The effects of changes in Foreign Exchange Rates" vide notification issued by Ministry of Corporate Affairs dated 29.12.2011, exchange differences of Rs. 2,129 Lac for the current quarter and of Rs. 4,942 Lac for the period ended 31st December 2011, arising on long term foreign currency monetary items so far as they relate to acquisition of depreciable capital assets has been capitalised in the books of accounts and the same has been depreciated over the useful life of assets. Besides, the unamortised portion of exchange difference of Rs. 561 Lacs as on 31st December, 2011 arising on long term foreign currency monetary items not related to the acquisition of depreciable capital assets has been accumulated in the "Foreign Currency Monetary Item Translation Difference Account".
- 8 Income Tax department has conducted search on the Company's two premises on 10th and 11th January, 2012, u/s 132 of the Income Tax Act 1961 and Investigation Wing will submit its appraisal report on the proceedings of search operation within the specified period. The company does not foresee to incur any income tax liability due to these proceedings.
- 9 The necessary certificate in respect of above Results in terms of requirement of clause 41 of the Listing Agreement, has been placed before the Board of Directors.
- 10 As regards Auditors' observations in their report on the Audited Accounts for the Financial Year 2010-11 and in their limited review report on the above results:
With regard to capitalization of expenditure on clinical trials for the purpose of registration of Company's products outside India primarily in US or Europe, the management believes that these products would be commercially viable and there is no reason to believe that there is any uncertainty that may lead to not securing registration for the products from the regulatory authorities. An amount of Rs.68 Lacs towards the above said expenditure on clinical trials during the quarter ended December 31, 2011, has also been capitalized on similar grounds. The total amount of such capitalization up to December 31, 2011 is Rs.6,459 Lacs.
- 11 As regards Auditors' observations in their limited review report on the above results:
i) During the quarter ended September 30, 2011, following a routine site audit, WHO has delisted the Company's DTP-based combination and monovalent hepatitis B vaccines from its list of pre-qualified vaccines on account of deficiencies in quality management system. However, the issue is not about the quality, safety or efficiency of the products. The Company has initiated corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines and are in touch with WHO in this respect. The Company is confident that with these corrective & preventive measures, the Company will be able to get re-listing of above said vaccines in the list of WHO pre-qualified vaccines in due course.
ii) With regard to managerial remuneration of Rs. 429 Lacs for the nine months period ended 31st December, 2011, in excess of limits prescribed under Section 198 and 309 read with Part II of Schedule XIII of the Companies, Act, 1956, the amount paid as managerial remuneration is likely to exceed prescribed limits in the aforesaid section of the Companies, Act, 1956 due to unexpected inadequacy of profits during the relevant period. The company has initiated steps to obtain approval from Central Government for the excess remuneration paid.
- 12 CARE has assigned 'CARE A-' (Single A Minus) to Long-term Bank Facilities, 'CARE A2+' (A Two Plus) to the Long-term/Short-term Bank Facilities and 'CARE A1' (A one) to the CP/Short term NCD (within working capital limits from the Banks).
- 13 The Statutory Auditors have also carried out limited review of these results and have given their observations in their report in respect of para 10,11 (i) & (ii) above.
- 14 Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [1]; Received [2]; Disposed [2]; Closing [1]. The same has been subsequently disposed off.
- 15 The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.

For and on behalf of the Board

New Delhi
February 10, 2012

Dr. Rajesh Jain
Joint Managing Director

Panacea Biotech Limited
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